

DOLORES COUNTY, COLORADO

Accountants' Reports
and
Basic Financial Statements

December 31, 2019

DOLORES COUNTY, COLORADO

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Dolores County, Colorado
Dove Creek, Colorado 81324

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Dolores County, Colorado as of and for the year ended December 31, 2019, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Dolores County, Colorado, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 13 and pages 40 through 45 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dolores County, Colorado's basic financial statements. The accompanying other supplementary information and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplementary information and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Majors and Haley, P.C.
July 29, 2020

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2019

FINANCIAL HIGHLIGHTS

Key financial highlights for the County in 2019 are as follows:

- In total, net position increased by \$1,482,049. Net position of governmental activities increased by \$1,432,329, which represents a 5.7 percent increase from 2018. Net position of business type activities increased \$49,720 or 4.7 percent from 2018.
- General revenues accounted for \$4,703,199 in revenue or 48.5 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$4,994,044 million or 51.5 percent of total revenues of \$9,697,243.
- Governmental activities total assets increased by \$1,364,950. Total liabilities decreased by \$2,183. Deferred inflows of resources decreased by \$82,010.
- The County incurred \$8,069,263 million in expenses related to governmental activities. \$4,943,003 of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily property taxes and mineral leasing funds) of \$4,558,589 were adequate to cover the balance of the costs of these programs.
- Among the major funds, the General Fund had \$3,944,803 in revenues, including transfers and \$3,282,421 in expenditures including transfers. It's fund balance increased by \$662,382 from \$8,256,624 to \$8,919,006.
- Net position of the Enterprise Fund increased from \$1,065,712 to \$1,115,432.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the County.

- The first two statements are County-wide financial statements that provide both short-term and long-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County, reporting the County's operations in more detail than the County-wide statements.
- The governmental funds statements tell how basic services such as general government were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the County operates like businesses, such as weed control services.
- Fiduciary funds statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the County's budget for the year.

County-wide Statements

The County-wide statements report information about the County as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the County's assets, deferred outflows of

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2019

resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two County-wide statements report the County's net position and how it has changed. Net position (the difference between the County's assets, deferred inflows of resources, and liabilities and deferred outflows of resources) is one way to measure the County's financial position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the County's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of county facilities.

In the County-wide financial statements, the County's activities are divided into two categories:

- **Governmental activities-** Most of the County's basic services are included here, such as general government, public works, public safety, public health and culture and recreation. These activities are financed mainly through property taxes and operating grants.
- **Business-type activities-** The County charges fees to help cover the costs of certain services it provides. The County's weed control operation is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds, focusing on its most significant or "major" funds, not the County as a whole. Funds are accounting devices the County uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the County establishes many other funds to help it manage and control its finances to achieve certain results.

The County uses three types of funds:

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2019

- **Governmental funds-** Most of the County's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the County-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- **Proprietary funds-** Services for which the County charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the County-wide financial statements. The County's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flow analysis.
- **Fiduciary funds-** The County is the agent, or fiduciary, for assets that belong to others, such as the Agency Fund. The County is responsible for ensuring that the assets reported in this fund are used only for their intended purposes and by those to whom the assets belong. The County excludes these activities from the County-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Total assets increased by \$1,407,678. Total liabilities decreased by \$2,660. Deferred inflows of resources decreased by \$88,525.

The County's combined net position was larger on December 31, 2019 than it was at December 31, 2018, increasing by 5.8 percent to \$27,481,364. Most of the increase came from its governmental activities, the net position of which increased \$1,449,143 to \$26,365,932. The net position of the County's business type activities increased \$49,720 to \$1,115,432.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2019

Table 1 provides a summary of the County's net position for 2019 compared to 2018:

Table 1
Condensed Statement of Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2019	2018	2019	2018	2019	2018
Assets						
Current assets	\$ 19.835	\$ 18.292	\$ 1.115	\$ 1.062	\$ 20.950	\$ 19.354
Capital assets	9.947	10.125	0.131	0.142	10.078	10.267
Total assets	29.782	28.417	1.246	1.204	31.028	29.621
Liabilities						
Current liabilities	0.283	0.328	0.001	0.002	0.284	0.330
Noncurrent liabilities	0.234	0.191			0.234	0.191
Deferred inflows of resources	2.899	2.981	0.130	0.136	3.029	3.117
Net Position						
Net investment capital assets	9.681	9.906	0.131	0.142	9.812	10.048
Nonspendable-Inventories	0.360	0.343			0.360	0.343
Restricted	7.556	6.561			7.556	6.561
Unrestricted	8.769	8.107	0.984	0.924	9.753	9.031
Total net position	\$ 26.366	\$ 24.917	\$ 1.115	\$ 1.066	\$ 27.481	\$ 25.983

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2019

Table 2 shows the changes in net position for fiscal year 2019 compared to 2018.

Table 2
Changes in Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 1.124	\$ 0.647	\$ 0.051	\$ 0.057	\$ 1.175	\$ 0.704
Operating grants	3.819	3.417			3.819	3.417
Capital grants		0.327			-	0.327
General revenues						
Property taxes	3.373	3.811	0.137	0.155	3.510	3.966
Mineral leasing	0.359	0.419			0.359	0.419
Other	0.827	1.623	0.008	0.050	0.835	1.673
Total revenues	9.502	10.244	0.196	0.262	9.698	10.506
Expenses						
General government	2.053	2.284			2.053	2.284
Public safety	0.972	0.904			0.972	0.904
Public works	3.081	2.616	0.146	0.124	3.227	2.740
Public health and welfare	1.737	1.547			1.737	1.547
Culture and recreation	0.199	0.186			0.199	0.186
Depreciation-unallocated	0.027	0.026			0.027	0.026
Total expenses	8.069	7.563	0.146	0.124	8.215	7.687
Increase in supply inventory	0.016	0.027			0.016	0.027
Increase (decrease) in net position	\$ 1.449	\$ 2.708	\$ 0.050	\$ 0.138	\$ 1.499	\$ 2.846

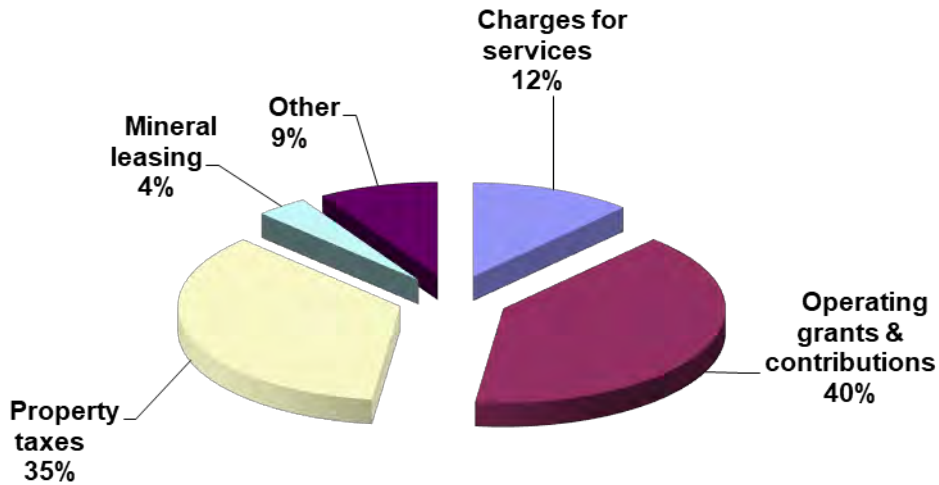
DOLORES COUNTY, COLORADO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2019**

Operating grants and property taxes accounted for most of the County’s total revenue, with each contributing 40 percent and 35 percent respectively (See Table 3). Another 12 percent came from charges for services and the remainder from mineral leasing and other sources.

The County’s expenses are predominately related to public works, (38.2 percent), general government (25.4 percent) and public health and welfare (21.5 percent) (See Table 4).

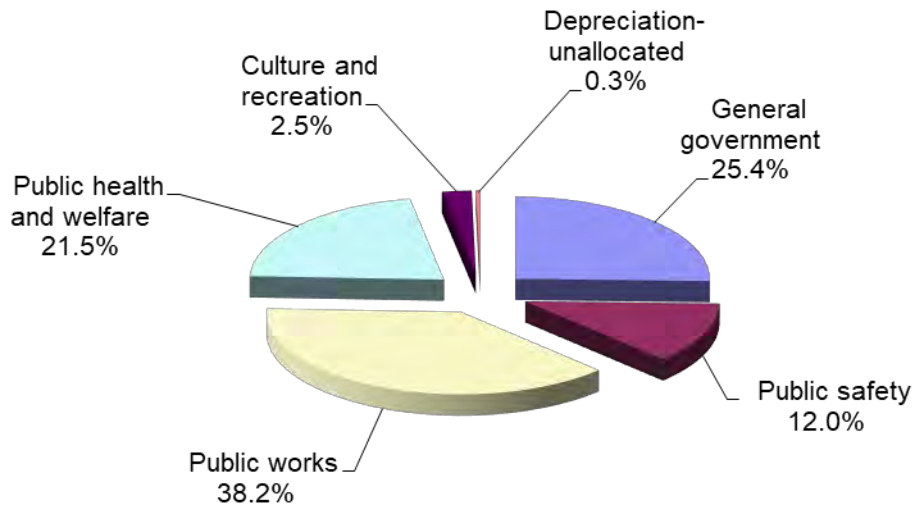
Table 3
Sources of Revenue for Fiscal Year 2019



DOLORES COUNTY, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2019**

**Table 4
Expenses for Fiscal Year 2019**



Governmental Activities

The primary sources of operating revenue for the County come from operating grants and general property taxes. The County receives approximately 75 percent of this funding from these sources while the remaining amounts come from charges for services and other general revenues.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 5 shows, for governmental activities, the total cost of services and net cost of services. That is, it identifies the cost of these services supported by general revenues including general property taxes.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2019

Table 5
Government Activities
(In millions)

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
General government	\$ 2.053	\$ 2.284	\$ 1.823	\$ 2.040
Public safety	0.972	0.904	0.792	0.730
Public works	3.081	2.616	(0.080)	(0.003)
Public health and welfare	1.737	1.547	0.398	0.233
Culture and recreation	0.199	0.186	0.166	0.146
Depreciation-unallocated	0.027	0.026	0.027	0.026
Total	\$ 8.069	\$ 7.563	\$ 3.126	\$ 3.172

- The cost of all governmental activities during the year was \$8.069 million.
- Some of the cost was financed by the users of the County's programs (\$1.124 million)
- Federal and state government subsidized certain programs with grants and contributions (\$3.819 million).
- However, \$4.559 million was financed by state and county taxpayers. This portion of governmental activities was financed with \$3.373 million in property taxes, \$.359 million in mineral leasing and \$.827 in other general revenues.

Business-type Activities

Business-type activities are made up of the Mandatory Pest Control District. This program had revenues of \$195,651 and expenses of \$145,931. Business-type activities received \$144,513 in property and specific ownership taxes.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Information about the County's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$9.620 million and expenditures of \$7.963 million.

General Fund Budgetary Highlights

The County's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

Over the course of the year, the County made no revisions to the annual operating budget.

- Actual revenues were \$342,835 more than budget, primarily because the County budgeted conservatively regarding revenues.
- Actual expenditures were \$326,691 less than budget primarily for the same reason as the excess in budgeted revenues.

CAPITAL ASSET ADMINISTRATION

By the end of 2019, the County has invested \$15.292 million in land, buildings, and equipment (including vehicles), of this total, \$14.952 million was from governmental activities.

Table 6 shows capital assets for 2019 compared to 2018:

DOLORES COUNTY, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2019**

**Table 6
Capital Assets at December 31
(In millions)**

	Governmental Activities		Business-Type Activities		Total County	
	2019	2018	2019	2018	2019	2018
Land	\$ 0.207	\$ 0.207			\$ 0.207	\$ 0.207
Buildings	9.696	9.606			9.696	9.606
Equipment	5.049	4.901	\$ 0.340	\$ 0.332	5.389	5.233
Total	<u>\$ 14.952</u>	<u>\$ 14.714</u>	<u>\$ 0.340</u>	<u>\$ 0.332</u>	<u>\$ 15.292</u>	<u>\$ 15.046</u>

Additional information on the County's capital assets can be found in the Notes to the Financial Statements on page 33 of this report.

FACTORS BEARING ON THE COUNTY'S FUTURE

At the time these financial statements were prepared and audited, the County is not aware of any existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the County's citizens, taxpayers, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Dolores County Administration Office, P.O. Box 608 Dove Creek, Colorado 81324.

DOLORES COUNTY, COLORADO
Statement of Net Position

December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash	\$ 16,521,778	\$ 924,881	\$ 17,446,659	\$ 391,600
Property taxes receivable	2,899,027	130,200	3,029,227	124,913
Other receivables	11,064		11,064	
Due from state	31,926		31,926	
Due from other governments	8,451		8,451	
Inventory	360,273	60,887	421,160	
Investment in water tap	2,350		2,350	
Capital assets	14,952,313	340,342	15,292,655	
Accumulated depreciation	(5,005,328)	(209,447)	(5,214,775)	
Total capital assets, net of depreciation	9,946,985	130,895	10,077,880	
Total Assets	29,781,854	1,246,863	31,028,717	516,513
Liabilities				
Accounts payable	240,057	1,231	241,288	
Payments in arrears	11,064		11,064	
Long term liabilities				
Due in less than one year	31,639		31,639	
Due in more than one year	234,135		234,135	
Total Liabilities	516,895	1,231	518,126	-
Deferred Inflows of Resources				
Unearned property tax revenue	2,899,027	130,200	3,029,227	124,913
Net Position				
Invested in capital assets, net of related debt	9,681,211	130,895	9,812,106	
Nonspendable				
Inventories	360,273		360,273	
Restricted				
Cancer treatments	27,748		27,748	
TABOR	150,000		150,000	8,000
Public health and welfare	1,955,142		1,955,142	
Public works	4,088,057		4,088,057	
Parks and recreation	69,947		69,947	
Contingencies	1,264,548		1,264,548	
Unrestricted	8,769,006	984,537	9,753,543	383,600
Total Net Position	\$ 26,365,932	\$ 1,115,432	\$ 27,481,364	\$ 391,600

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO
Statement of Activities

For the Year Ended December 31, 2019

	Program Revenues				Net (Expenses) Revenue And Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business- type Activities	Total	
Governmental Activities								
General government	\$ 2,052,871	\$ 224,855	\$ 5,000		\$ (1,823,016)		\$ (1,823,016)	
Public safety	972,067	101,352	79,070		(791,645)		(791,645)	
Public works	3,080,744	693,452	2,466,751		79,459		79,459	
Public health and welfare	1,737,375	83,228	1,256,220		(397,927)		(397,927)	
Culture and recreation	199,199	20,989	12,086		(166,124)		(166,124)	
Depreciation-unallocated	27,007				(27,007)		(27,007)	
Total Governmental Activities	<u>8,069,263</u>	<u>1,123,876</u>	<u>3,819,127</u>	<u>-</u>	<u>(3,126,260)</u>		<u>(3,126,260)</u>	
Business-Type Activities								
Mandatory Pest Control District	145,931	51,041				\$ (94,890)	(94,890)	
Total Business-Type Activities	<u>145,931</u>	<u>51,041</u>	<u>-</u>			<u>(94,890)</u>	<u>(94,890)</u>	
Total Primary Government	<u>\$ 8,215,194</u>	<u>\$ 1,174,917</u>	<u>\$ 3,819,127</u>	<u>\$ -</u>	<u>(3,126,260)</u>	<u>(94,890)</u>	<u>(3,221,150)</u>	
Component Unit								
Library	\$ 168,156		\$ 71,050					\$ (97,106)
Total Component Units	<u>\$ 168,156</u>	<u>\$ -</u>	<u>\$ 71,050</u>	<u>\$ -</u>				<u>(97,106)</u>
General Revenues								
Property tax for general purposes					3,073,155	136,699	3,209,854	124,857
Property tax for Quality of Life					299,656		299,656	
Specific Ownership tax for general purposes					174,268	7,742	182,010	7,071
Specific Ownership tax for Quality of Life					16,971		16,971	
Severance Tax					40,610		40,610	
Delinquent tax and interest					1,103	72	1,175	197
Delinquent tax and interest Quality of Life					473		473	
Intergovernmental								
Motor Vehicle License Fees					9,315		9,315	
Mineral Leasing					359,356		359,356	
Payment in Lieu of Taxes					166,913		166,913	
Impact Assistance					4,226	97	4,323	
Earnings on investments					309,015		309,015	2,623
Reimbursements					74,777		74,777	
Asset sales					(121)		(121)	
Miscellaneous					28,872		28,872	1,447
Total General Revenues					<u>4,558,589</u>	<u>144,610</u>	<u>4,703,199</u>	<u>136,195</u>
Changes in Net Position					1,432,329	49,720	1,482,049	39,089
Net Position Beginning of the Year					24,916,789	1,065,712	25,982,501	352,511
Increase (decrease) in inventories					16,814		16,814	
Net Position End of the Year					<u>\$ 26,365,932</u>	<u>\$ 1,115,432</u>	<u>\$ 27,481,364</u>	<u>\$ 391,600</u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Balance Sheet
Governmental Funds

December 31, 2019

	General Fund	Road and Bridge Fund	Social Services Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 9,008,956	\$ 4,226,747	\$ 1,603,110	\$ 1,682,965	\$ 16,521,778
Property taxes receivable	2,042,692	485,864	224,712	145,759	2,899,027
Other receivables			11,064		11,064
Due from state			31,926		31,926
Due from other governments			1,039	7,412	8,451
Inventory		360,273			360,273
Investment in water tap	2,350				2,350
Total Assets	\$ 11,053,998	\$ 5,072,884	\$ 1,871,851	\$ 1,836,136	\$ 19,834,869
Liabilities					
Accounts payable	\$ 92,300	\$ 138,690		\$ 9,067	\$ 240,057
Due to other funds					-
Payments in arrears			\$ 11,064		11,064
Total Liabilities	92,300	138,690	11,064	9,067	251,121
Deferred Inflows of Resources					
Unearned property tax revenue	2,042,692	485,864	224,712	145,759	2,899,027
Fund Balances					
Nonspendable					
Inventories		360,273			360,273
Restricted					
Cancer treatments				27,748	27,748
TABOR	150,000				150,000
Public health and welfare			1,636,075	319,067	1,955,142
Public works		4,088,057			4,088,057
Parks and recreation				69,947	69,947
Contingencies				1,264,548	1,264,548
Unrestricted					
Assigned for future year's expenditures	8,256,624				8,256,624
Unassigned	512,382				512,382
Total Fund Balances	8,919,006	4,448,330	1,636,075	1,681,310	16,684,721
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11,053,998	\$ 5,072,884	\$ 1,871,851	\$ 1,836,136	\$ 19,834,869

Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position

Total Fund Balance Governmental Funds \$ 16,684,721

Amounts reported for governmental activities in the Statement of Net Assets are different because

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital assets	\$ 14,952,313	
Accumulated depreciation	<u>(5,005,328)</u>	9,946,985

Long term liabilities are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet.

Due within one year	(31,639)	
Due in more than one year	<u>(234,135)</u>	(265,774)

Total Net Position Governmental Activities \$ 26,365,932

DOLORES COUNTY, COLORADO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2019

	General Fund	Road and Bridge Fund	Social Services Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 2,599,022	\$ 528,501	\$ 244,432	\$ 237,853	\$ 3,609,808
Intergovernmental revenues	613,489	2,476,066	898,713	369,704	4,357,972
Charges for services	138,527	217,520		83,228	439,275
Interest	307,035			1,980	309,015
Fee accounts	205,778				205,778
Other	74,654	553,088		11,759	639,501
Total Revenues	3,938,505	3,775,175	1,143,145	704,524	9,561,349
Expenditures					
General government	2,016,964			3,748	2,020,712
Public safety	958,008				958,008
Public works		3,100,638			3,100,638
Public health and welfare	29,923		995,953	666,008	1,691,884
Culture and recreation	191,776				191,776
Total Expenditures	3,196,671	3,100,638	995,953	669,756	7,963,018
Excess revenues over (under) expenditures	741,834	674,537	147,192	34,768	1,598,331
Other Financing Sources (Uses)					
Proceeds from capital leases		59,078			59,078
Transfers in	6,298		8,000	85,750	100,048
Transfers out	(85,750)			(14,298)	(100,048)
Total Other Financing Sources (Uses)	(79,452)	59,078	8,000	71,452	59,078
Net Change in Fund Balances	662,382	733,615	155,192	106,220	1,657,409
Fund Balances beginning of the year	8,256,624	3,697,901	1,480,883	1,575,090	15,010,498
Net increase (decrease) in inventory		16,814			16,814
Fund Balances end of the year	\$ 8,919,006	\$ 4,448,330	\$ 1,636,075	\$ 1,681,310	\$ 16,684,721

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2019

Net Change in Fund Balances Governmental Funds \$ 1,657,409

Amounts reported for governmental activities in the Statement of Activities are different because

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital asset purchases capitalized	\$	328,022	
Depreciation expense		(446,540)	
			(118,518)

Governmental funds report assets sales as revenue. However, in the Statement of Activities gain or loss on the disposal is computed.

Proceeds from the sale of capital assets		(59,636)	
Loss on asset sales		(121)	
			(59,757)

Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long term debt in the Statement of Net Position

Principal payments of capital leases			40,388
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Some increases in debt are not reported in the governmental funds but are reflected in the Statement of Activities

Proceeds from capital leases			(59,078)
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Some increases in debt are not reported in the governmental funds but are reflected in the Statement of Activities

Increase in accrued compensated absences			(28,115)
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Change in Net Position of Governmental Activities \$ 1,432,329

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Net Position
Proprietary Fund
Enterprise Fund

December 31, 2019

	<u>Business-type Activities</u> <u>Mandatory Pest Control District</u>	
Assets		
Current Assets		
Cash	\$	924,881
Property tax receivable		130,200
Inventory		60,887
Total Current Assets		<u>1,115,968</u>
Noncurrent Assets		
Capital assets	\$	340,342
Accumulated depreciation		(209,447)
Total Noncurrent Assets		<u>130,895</u>
Total Assets		<u><u>1,246,863</u></u>
Liabilities		
Current Liabilities		
Accounts payable		1,231
Total Current Liabilities		<u>1,231</u>
Deferred inflows of resources		
Deferred property tax revenue		<u>130,200</u>
Net Position		
Net investment in capital assets	130,895	
Unrestricted	984,537	
Total Net Position		<u><u>\$ 1,115,432</u></u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
Enterprise Fund
For the Year Ended December 31, 2019

	<u>Business-type Activities</u> <u>Mandatory Pest Control District</u>	
Operating Revenues		
Weed control revenue	\$	51,041
Total Operating Revenues		<u>51,041</u>
Operating Expenses		
Weed control operations		
Chemicals	\$	14,606
Salaries and benefits		87,188
Supplies		1,119
Professional fees		1,000
Telephone and utilities		5,621
Travel		2,034
Office		657
Dues and meetings		1,040
Repairs and maintenance		3,946
Treasurer's fees		7,345
Miscellaneous		2,005
Depreciation		19,370
Total Operating Expenses		<u>(145,931)</u>
Operating income (loss)		<u>(94,890)</u>
Non-Operating Revenue		
Property tax	136,699	
Specific ownership tax	7,742	
Delinquent tax and interest	72	
Impact aid	97	
Total Non-Operating Revenue		<u>144,610</u>
Change in net position		<u>49,720</u>
Net position beginning of the year		1,065,712
Net position end of the year	<u>\$</u>	<u><u>1,115,432</u></u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Cash Flows
Proprietary Fund
Enterprise Fund

For the Year Ended December 31, 2019

		<u>Business-type Activities Mandatory Pest Control District</u>
Cash Flows from Operating Activities		
Cash received from customers	\$	51,041
Cash payments to employees for services		(87,188)
Cash payments to suppliers for goods and services		(49,065)
		(85,212)
Net Cash Flows provided (used) by Operating Activities		
Cash Flows from Capital and Related Financing Activities		
Purchase of equipment	\$	(8,417)
		(8,417)
Net Cash Flows provided (used) by Capital and Related Financing Activities		(8,417)
Cash Flows from Noncapital Financing Activities		
Property tax	136,699	
Specific ownership tax	7,742	
Delinquent tax and interest	72	
Impact aid	97	
		144,610
Net Cash Flows provided (used) by Noncapital Financing Activities		144,610
Net increase (decrease) in cash and cash equivalents		50,981
Cash and cash equivalents beginning of the year		873,900
Cash and cash equivalents end of the year		\$ 924,881
Reconciliation of operating income (loss) to Net Cash provided (used) by Operating Activities		
Operating income (loss)	\$	(94,890)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	\$	19,370
(Increase) or decrease in Inventory		(9,215)
Increase or (decrease) in Accounts payable		(477)
Total adjustments		9,678
Net Cash Flows provided (used) by Operating Activities		\$ (85,212)

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Fiduciary Net Position

As of December 31, 2019

	<u>Custodial Fund</u>
Assets	
Cash	\$ 79,285
Total Assets	<u>79,285</u>
Liabilities	
Due to other governments	79,285
Total Liabilities	<u>79,285</u>
Net Position	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2019

	<u>Custodial Fund</u>
Additions	
Taxes collected for other governments	\$ 4,929,699
Total additions	<u>4,929,699</u>
Deductions	
Payment of taxes to other governments	4,929,699
Total deductions	<u>4,929,699</u>
Net increase (decrease) in fiduciary net position	-
Net position beginning	-
Net position ending	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Summary of Significant Accounting Policies - Dolores County, Colorado's (the County) financial statements are prepared in accordance with U.S. generally accepted accounting principals (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements of Interpretations).

The following significant accounting policies were applied to the preparation of the accompanying financial statements.

Reporting Entity – Dolores County, Colorado is a statutory (non-home-rule) county and serves as an administrative unit of the State of Colorado.

The County's financial reporting entity comprises the following:

Primary Government:	Dolores County, Colorado
Blended Component Unit:	Dove Creek Mandatory Pest Control District
Discretely Presented Component Unit:	Dolores County Library District

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the County appointed a voting majority of the unit's board; the County is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Unit- The Dove Creek Mandatory Pest Control District serves a portion of Dolores County and is governed by a Board of Trustees appointed by the County Commissioners. The Commissioners approve all expenditures of the District. The District is included as an enterprise fund of the County.

Discretely Presented Component Unit- The Dolores County Library District operates the County Library. The commissioners appoint the governing board of the District and approve its' budget.

Fund Accounting – The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resource, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and in the means by which spending activities are controlled. The various funds are grouped into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Governmental Funds – are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked funds (special revenue funds). The following are the County’s major governmental funds.

General Fund – is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes and state and federal grants.

Special Revenue Funds-

Road and Bridge Fund – accounts for the costs related to county road and bridge construction and maintenance. By state law, a portion of this fund’s property tax revenues are allocated to cities and towns for use in their road and street activities. This fund is required by state law.

Social Services Fund- accounts for federal and state public welfare programs administered by the County. This fund is also required by state law.

Non-major Funds- The other governmental funds of the County are Special Revenue Funds. These funds account for revenues derived from earmarked revenue sources. Special revenue funds consist of the Senior Services Fund, Conservation Trust Fund, Ormiston Fund, Contingency Fund and the Public Health Fund.

Proprietary Funds–

Enterprise Fund – focuses on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The County’s major enterprise fund is:

Dove Creek Mandatory Pest Control District- is used to account for the financial transactions related to the weed control operations of the County.

Fiduciary Funds – reporting focuses on net position and changes in net position. In 2019 the County implemented GASB 84. Under this new reporting requirement, the County has one custodial fund.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Basis of Presentation-

County-wide Financial Statements- The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The county-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with a brief explanation to better identify the relationship between the county-wide financial statements and the statements for governmental funds.

The county-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements- Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources and all

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

liabilities and deferred outflows of resources associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting – determines when transactions are recorded in the financial records and reported on the financial statements. County-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues- Exchange and Non-exchange Transactions- Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when used is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, interest, and certain grants.

Unearned Revenue- arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Expenses/Expenditures- On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses and changes in fund net position as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets and Budgetary Accounting – The County is required by Colorado Statutes to adopt annual budgets for all funds. Each budget is prepared on the same basis (U.S. GAAP basis) as that used for accounting purposes, except for the Enterprise Fund, which is prepared essentially on the modified accrual basis of accounting. This basis of accounting is at variance with U.S. GAAP.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to October 20, the Budget Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1.

The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain comments.

Prior to December 31, the budget is legally adopted through passage of adoption and appropriations resolutions.

Formal budgetary integration is employed as a management control device during the year.

Department directors are authorized to transfer budget amounts within the department. However, the County Commissioners must approve any revisions that alter the total expenditures of any department.

Appropriations are adopted by resolution for each fund in total and lapse at the end of each year. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

Cash and Cash Equivalents – for the purpose of the Statement of Cash Flows of the Enterprise Fund is considered to be all of the highly liquid investments with a maturity of six months or less.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Short-term Inter-fund Receivables/Payables- During the course of operations, certain transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the County-wide statement of net position and, classified as due from other funds or due to other funds on the balance sheet.

Inventories – in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase. Restrictions of fund balance have been established for the inventory balances.

Capital Assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the county-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the county-wide statements of net position and in the respective fund financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are valued at their estimated fair value on the date donated. The County maintains a capitalization threshold of five thousand dollars. As per GASB 34 the County has elected to report infrastructure assets on a prospective basis. Therefore, infrastructure acquired before January 1, 2004 is not included in the financial statements.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Buildings and Improvements	20-50 Years	20 Years
Furniture and Equipment	5-15 Years	5-10 Years
Vehicles	8 Years	10 Years

Property Tax Revenue Recognition – The County bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County. The property taxes are levied and certified in December of the year prior to the year the taxes are collected. Property taxes become an enforceable lien on January 1 of each year. Secured property taxes are due in two equal installments on February 28 and June 15, and are delinquent after February 28 and June 15 respectively. The entire balance can be paid by April 30 without penalty. Property taxes levied are recorded as unearned revenues in the year levied, as they are not

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

due until the following year. An allowance for un-collectible taxes is not provided as the un-collectible amounts were determined to be negligible based upon an analysis of historical trends.

Compensated absences- Compensated absences arise from policies concerning paid time off. In the event of termination, an employee is reimbursed for accumulated paid time off. Accumulated paid time off benefits are shown as long term debt obligations since these amounts are not expected to be paid from currently available resources.

Accrued Liabilities and General Long-Term Obligations- All payables, accrued liabilities and long-term obligations are reported in the county-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payment made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements.

Governmental Fund Balances- In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable- Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact. This includes inventory maintained in the Road and Bridge Fund.

Restricted- Amounts that can be used only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. This includes the County's TABOR reserve.

Committed- Amounts that can be used only for specific purposes determined by a formal action by the Board of County Commissioners.

Assigned- Amounts that are designated by the Board of County Commissioners for a particular purpose but are not spendable until appropriated. This includes assignments for subsequent year's expenditures.

Unassigned- All amounts not included in the other spendable classifications.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Use of Restricted Resources-When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the County's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the County's policy is to first apply the expenditure toward restricted fund balance and then to other less restrictive classifications-committed and then assigned fund balances before using unassigned fund balance.

Fund Balance Restrictions- The County restricts those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unrestricted fund balance indicates that portion of fund equity, which is available for appropriation in future periods. Assigned fund balances have been established for future year's expenditures.

Net Position- Net position represents the difference between assets, deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses- Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges related to weed control. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Inter-fund Transactions- Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Cash and Investments – The County Treasurer maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash".

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Deposits- The Colorado Public Deposit Protection Act (PDPA) governs the County's cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a market value of at least 102% of the uninsured deposits. The State Regulatory Commission for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in the collateral pools.

Colorado statutes define eligible investments for local governments. These include bonds and other interest-bearing obligations of or guaranteed by the United States government or its agencies, bonds which are direct obligations of the State of Colorado or any of its political subdivisions, repurchase agreements, commercial paper, guaranteed investment contracts and local government investment pools.

At December 31, 2019 the County had investments in one local government investment pool, the Colorado Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to its operations and investments, which are also subject to provisions of C.R.S. Title 24, Article 75, and Section 6. The fair value of the investments in COLOTRUST is the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book form. COLOTRUST is rated AAA by Standard and Poors.

At December 31, 2019 the carrying amount of the County's cash and investments was \$17,525,944. The County's bank balances were \$2,284,446 and COLOTRUST balances were \$15,241,498. The County's bank balances at December 31, 2019 and during the year then ended were entirely covered by FDIC insurance or pledged collateral held by the County's agent banks in the name of governmental accounts of which the County is a part.

Retirement Plan – The County is a member of the Colorado County Officials and Employees Retirement Association. All members of the Association are participants in a defined contribution retirement plan which was adopted and is administered to provide income after retirement in addition to benefits provided by Federal Social Security. All County employees are required to participate after one year of continuous service. Contributions made by the employee are a minimum of four percent and a maximum of six percent of gross salary, at the employees' discretion. Employees may make additional voluntary contributions not to exceed ten percent of compensation.

The County maintains no control over the plan, other than being a member of the Association. Employees are fully vested upon participation in the plan. The County has no unfunded

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

liability under the plan. The total 2019 County payroll was \$2,842,991. The covered payroll for retirement plan purposes was \$2,467,472. The 2019 employer and employee contributions to the plan were \$109,014 and \$143,426 respectively. There were no County securities or other transactions included in the plan's assets.

Capital Assets – Capital asset activity for the fiscal year ended December 31, 2019 follows:

	Capital Assets Jan 1, 2019	Additions	Deletions/ Transfers	Capital Assets Dec 31, 2019
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 206,580			\$ 206,580
Total capital assets not being depreciated	<u>206,580</u>	<u>-</u>	<u>-</u>	<u>206,580</u>
Capital assets, being depreciated:				
Buildings	9,605,791	\$ 90,541		9,696,332
Equipment	4,901,549	237,481	\$ (89,629)	5,049,401
Total capital assets being depreciated	<u>14,507,340</u>	<u>328,022</u>	<u>(89,629)</u>	<u>14,745,733</u>
Less accumulated depreciation for:				
Buildings	(869,286)	(200,767)		(1,070,053)
Equipment	(3,719,376)	(245,773)	29,874	(3,935,275)
Total accumulated depreciation	<u>(4,588,662)</u>	<u>(446,540)</u>	<u>29,874</u>	<u>(5,005,328)</u>
Total capital assets, being depreciated, net	9,918,678	(118,518)	(59,755)	9,740,405
Governmental Activities Capital Assets, net	<u><u>\$ 10,125,258</u></u>	<u><u>\$ (118,518)</u></u>	<u><u>\$ (59,755)</u></u>	<u><u>\$ 9,946,985</u></u>
Business Type Activities				
Equipment and facilities	\$ 331,925	\$ 8,417		\$ 340,342
Less accumulated depreciation	(190,077)	(19,370)		(209,447)
Business Type Activities Capital Assets net	<u><u>\$ 141,848</u></u>	<u><u>\$ (10,953)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 130,895</u></u>

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Depreciation expense is charged to the various governmental programs as follows:

General government	\$	24,514
Public safety		61,600
Public works		203,539
Public health and welfare		122,457
Culture and recreation		7,423
Unallocated		27,007
Total depreciation government activities	\$	<u>446,540</u>

Schedule of Social Services Costs Due To/From State of Colorado –

	<u>Due (To) From</u>
Colorado works	\$ 5,063
Child care	226
Child welfare	13,064
Administration	12,632
Child enforcement	(5)
Home care allowance	(220)
County cost allocation	344
Adult protective services	184
Aid to needy and disabled	(139)
Old age pension	725
Federal and state incentives	52
Net Amount Due From State	<u>\$ 31,926</u>

All Electronic Benefit transfers paid by the State of Colorado for Dolores County are included in the financial statements.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Operating Leases –

In 2018, the County leased 4 blades with semi-annual payments of \$54,860

In 2019, the County leased 2 blades with semi-annual payments of \$28,094

The future minimum payments for these leases are as follows:

<u>Year</u>	<u>Payments</u>
2020	\$ 28,094
	\$ 28,094

Long-Term Debt-

Capital Leases Payable-

In 2012, the County entered into a lease agreement for a John Deere Loader. The lease is payable in 14 semi-annual installments of \$17,640 beginning in 2013. The loader is included in the capital assets at a cost of \$264,586, with accumulated depreciation of \$141,113. The lease is serviced by the Road and Bridge Fund and the equipment serves as collateral.

In 2019, the County entered into a lease agreement for a John Deere Backhoe. The lease is payable in monthly installments of \$1,329 beginning in 2019. The backhoe is included in the capital assets at a cost of \$108,745, with accumulated depreciation of \$7,250. The lease is serviced by the Road and Bridge Fund and the equipment serves as collateral.

Changes in General Long-Term Debt- A summary of changes in general long-term debt follows:

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
Accrued compensation	\$ 174,450	\$ 28,115		\$ 202,565
Lease obligations	44,519	59,078	\$ 40,388	63,209
Total	\$ 218,969	\$ 59,078	\$ 40,388	\$ 265,774

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Annual requirements to amortize the lease purchase are as follows:

Year Ending December 31,	Lease Purchase	Lease Purchase
2020	\$ 17,640	\$ 15,948
2021		15,948
2022		15,948
 Total	17,640	47,844
Less Interest	(81)	(2,194)
 Outstanding principal	\$ 17,559	\$ 45,650

Interfund Operating Transfers- consist of the following:

	Transfer In	Transfer out
General Fund	\$ 6,298	\$ 85,750
Special Revenue Funds		
Conservaton Trust Fund		6,298
Senior Services Fund	25,000	
Public Health Fund	60,750	
Ormiston Fund		8,000
Social Services Fund	8,000	
	\$ 100,048	\$ 100,048

Fund Balance Restrictions and Assignments – Nonspendable indicates amounts that cannot be spent, either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates amounts that are designated for a specific purpose by the Board of County Commissioners but are not spendable until appropriated. The County uses the following restrictions and assignments:

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Nonspendable

Inventory- indicates that the portion of fund balance represented by inventories is not available for appropriation and expenditure at the balance sheet date. Nonspendable fund balance related to inventory consists of \$360.273 in the Road and Bridge Fund.

Restricted

TABOR- indicates that a portion of the fund balance has been segregated for expenditures for declared emergencies only. Fund balance restricted for TABOR consists of \$150,000 in the General Fund.

Cancer treatments- indicates that the fund balance within the Ormiston Fund is restricted for the payment of cancer treatment costs of qualified county residents.

Public Health and Welfare- indicates that the fund balances within the Social Services Fund and Public Health Funds are restricted for the purpose of public health and welfare.

Public Works- indicates that the fund balance within the Road and Bridge Fund is restricted for construction and maintenance of County roads and bridges.

Parks and Recreation- indicates that the fund balance within the Conservation Trust Fund is restricted for certain parks and recreation expenditures as defined by Greater Outdoors Colorado.

Contingencies- indicates that the fund balance within the Contingency Fund are restricted for certain unforeseen expenditures as determined by state law.

Assigned for future year's expenditures- indicates anticipated fund balance available for appropriation in the next budget year. Fund balance assigned for future year's expenditures consists \$8,256,624 in the General Fund.

Public Trustee – The County Treasurer holds the office of the County Public Trustee. Public Trustees are named as trustees for Deeds of Trust and perform all the functions and exercise all the powers conferred upon them by the Deeds of Trust. These functions include releasing Deeds of Trust when indebtedness is paid in full, making sales whenever default occurs, issuing Certificates of Purchase and Certificates of Redemption of Trustee's Deeds. Fees for such services are used to cover related expenses and pay the Trustee an annual salary.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

The accounts of the County Public Trustee consist of the following as of and for the year ended December 31, 2019

Cash at January 1, 2019	\$ -
Revenues	
Interest and fees	12,446
Expenditures	(12,109)
Cash at December 31, 2019	<u>\$ 337</u>

Commitments and Contingent Liabilities – There appear to be no commitments or contingencies that would pose a threat of significant liability to the County.

Tax Spending, Revenue and Debt Limitations- Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (TABOR), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires that revenue received in excess of the “revenue limit” be refunded unless the voters approve the retention of such revenue.

On November 7, 2000 the people of the County voted to authorize the spending of all monies in existing funds and to collect, retain, and expend the full revenues, including state grants and taxes, generated during 2001 and for each subsequent year, regardless of any limitation contained in Article X, Section 20, of the Colorado Constitution. The amendment is complex and subject to judicial interpretation. The County believes it is in compliance with all other requirements of the amendment. However, the County has made certain interpretations of the amendment’s language in order to determine compliance.

Risk Management – County Workers Compensation Pool – The County is exposed to various risks of loss related to injuries of employees while on the job. The County joined the County Workers’ Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers’ compensation insurance coverage. The intergovernmental formation agreement of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Colorado Counties Casualty and Property Pool – The County is exposed to various risks of loss related to property and casualty losses. The County joined the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The intergovernmental formation agreement of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Colorado Immunity Act – Under Colorado statutes, the County has immunity from liability in excess of \$150,000 per individual and \$600,000 per occurrence.

Highway Report – The supplemental Highway Finance Report on the form provided by the Colorado Department of Highways is included in the audited financial statements. The following is a reconciliation between the highway report and the audited financial statements:

	<u>Highway Report</u>		<u>Difference</u>	<u>Financial Statements</u>
Receipts	\$3,775,175			\$3,400,857
Expenditures	\$3,083,824	(A)	\$ 16,814	\$3,100,638

Difference in current year:

(A) Expenditures

Increase in inventory

\$ 16,814

Compliance with Laws and Regulations-The County may be in violation of State Statute. Expenditures exceeded appropriations in the Clara Ormiston Fund.

DOLORES COUNTY, COLORADO
Required Supplementary Information

December 31, 2019

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

Such information includes:

Budgetary Comparison Schedules
 General Fund
 Road and Bridge Fund
 Social Services Fund

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
General property taxes	\$ 2,100,478	\$ 2,100,478	\$ 2,117,608	\$ 17,130
Delinquent tax and interest	5,000	5,000	3,533	(1,467)
Property taxes-Quality of Life	300,792	300,792	300,129	(663)
Specific ownership taxes	85,000	85,000	120,171	35,171
Specific ownership taxes-Quality of Life	10,000	10,000	16,971	6,971
Severance taxes	20,000	20,000	40,610	20,610
Total taxes	<u>2,521,270</u>	<u>2,521,270</u>	<u>2,599,022</u>	<u>77,752</u>
Intergovernmental revenues				
Payment in lieu of taxes	152,000	152,000	166,913	14,913
Mineral leasing	250,000	250,000	359,356	109,356
Forest service	30,000	30,000	26,687	(3,313)
Impact assistance	3,500	3,500	3,150	(350)
Grants				
Other grants	84,000	84,000	57,383	(26,617)
Total intergovernmental revenues	<u>519,500</u>	<u>519,500</u>	<u>613,489</u>	<u>93,989</u>
Charges for services				
General government	47,150	47,150	22,799	(24,351)
Public safety	119,500	119,500	94,739	(24,761)
Culture and recreation	23,000	23,000	20,989	(2,011)
Total charges for services	<u>189,650</u>	<u>189,650</u>	<u>138,527</u>	<u>(51,123)</u>

(continued)

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Interest	\$ 112,500	\$ 112,500	\$ 307,035	\$ 194,535
Miscellaneous revenues				
Reimbursements	33,200	33,200	54,186	20,986
Other	24,700	24,700	20,468	(4,232)
Total miscellaneous revenues	57,900	57,900	74,654	16,754
Fee accounts				
Sheriff fees	2,600	2,600	3,721	1,121
Clerk fees	48,000	48,000	61,047	13,047
Treasurers fees	144,250	144,250	141,010	(3,240)
Total fee accounts	194,850	194,850	205,778	10,928
Total revenues	3,595,670	3,595,670	3,938,505	342,835
Expenditures				
General government				
Board of county commissioners	485,278	485,278	469,535	15,743
Other administration	364,564	364,564	313,886	50,678
Clerk	199,358	199,358	160,856	38,502
Treasurer	183,255	183,255	175,455	7,800
Assessor	286,118	286,118	305,794	(19,676)
Attorney	89,514	89,514	74,898	14,616
Grounds and buildings	162,799	162,799	120,416	42,383
Transfer station	40,265	40,265	30,873	9,392
Elections	42,530	42,530	39,002	3,528
Veteran's office	28,280	28,280	24,551	3,729
Payments-Quality of Life	299,792	299,792	301,698	(1,906)
Total general government	2,181,753	2,181,753	2,016,964	164,789

(continued)

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures (continued)				
Public safety				
Sheriff administration	\$ 802,030	\$ 802,030	\$ 674,516	\$ 127,514
Coroner	52,204	52,204	42,964	9,240
Prisoner maintenance	60,000	60,000	26,475	33,525
District attorney	74,233	74,233	72,846	1,387
Emergency management	65,375	65,375	92,485	(27,110)
GIS addressing	52,759	52,759	48,722	4,037
Total public safety	<u>1,106,601</u>	<u>1,106,601</u>	<u>958,008</u>	<u>148,593</u>
Public health and welfare				
Senior center construction	<u>50,000</u>	<u>50,000</u>	<u>29,923</u>	<u>20,077</u>
Culture and recreation				
Extension office	120,395	120,395	108,379	12,016
DCTV	50,330	50,330	50,708	(378)
Fairgrounds	34,360	34,360	32,689	1,671
Total culture and recreation	<u>205,085</u>	<u>205,085</u>	<u>191,776</u>	<u>13,309</u>
Total expenditures	<u>3,543,439</u>	<u>3,543,439</u>	<u>3,196,671</u>	<u>326,691</u>
Excess (deficit) of revenues over (under) expenditures	<u>52,231</u>	<u>52,231</u>	<u>741,834</u>	<u>669,526</u>
Other financing sources (uses)				
Operating transfers in	83,500	83,500	6,298	(77,202)
Operating transfers out	(122,000)	(122,000)	(85,750)	36,250
Total other financing sources (uses)	<u>(38,500)</u>	<u>(38,500)</u>	<u>(79,452)</u>	<u>(40,952)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>13,731</u>	<u>13,731</u>	<u>662,382</u>	<u>628,574</u>
Fund balance, beginning	6,575,721	6,575,721	8,256,624	1,680,903
Fund balance, ending	<u>\$ 6,589,452</u>	<u>\$ 6,589,452</u>	<u>\$ 8,919,006</u>	<u>\$ 2,329,554</u>

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balance- Budget and Actual
Road and Bridge Fund

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 499,608	\$ 499,608	\$ 499,427	\$ (181)
Delinquent tax and interest	700	700	788	88
Specific ownership taxes	20,000	20,000	28,286	8,286
Total taxes	<u>520,308</u>	<u>520,308</u>	<u>528,501</u>	<u>8,193</u>
Intergovernmental revenues				
Federal shared revenues				
Forest Service		-	162,029	162,029
State shared revenues				
Highway user's tax	1,696,105	1,696,105	2,037,390	341,285
Additional motor vehicle registration fee	22,000	22,000	9,315	(12,685)
Grants	267,332	267,332	267,332	-
Total intergovernmental revenues	<u>1,985,437</u>	<u>1,985,437</u>	<u>2,476,066</u>	<u>490,629</u>
Miscellaneous revenues				
Permits	10,000	10,000	2,438	(7,562)
Forest road contracts	375,000	375,000	427,500	52,500
Reimbursements	62,000	62,000	62,596	596
Charges for services	208,000	208,000	217,520	9,520
Proceeds from sale of assets	20,000	20,000	59,636	39,636
Other	224,846	224,846	918	(223,928)
Total miscellaneous revenues	<u>899,846</u>	<u>899,846</u>	<u>770,608</u>	<u>(129,238)</u>
Total revenues	<u>3,405,591</u>	<u>3,405,591</u>	<u>3,775,175</u>	<u>369,584</u>
Expenditures				
Current operating				
Public Works				
Administration	323,000	323,000	280,004	42,996
Maintenance and construction	2,724,984	2,724,984	2,361,754	363,230
Traffic	35,000	35,000	18,119	16,881
Payments to cities	20,000	20,000	17,967	2,033
Capital outlay	22,000	22,000	183,045	(161,045)
Payments on operating leases	280,000	280,000	196,195	83,805
Debt Service				
Principal		-	40,388	(40,388)
Interest		-	3,166	(3,166)
Total public works	<u>3,404,984</u>	<u>3,404,984</u>	<u>3,100,638</u>	<u>304,346</u>
Total expenditures	<u>3,404,984</u>	<u>3,404,984</u>	<u>3,100,638</u>	<u>304,346</u>
Excess (deficit) of revenues over (under) expenditures	607	607	674,537	673,930
Other financing sources (uses)				
Proceeds from capital leases			59,078	59,078
Excess (deficit) of other financing sources over (under) expenditures and other financing uses	<u>607</u>	<u>607</u>	<u>733,615</u>	<u>733,008</u>
Fund balance, beginning	2,927,163	2,927,163	3,697,901	770,738
Increase in inventory		-	16,814	16,814
Fund balance, ending	<u>\$ 2,928,377</u>	<u>\$ 2,927,770</u>	<u>\$ 4,448,330</u>	<u>\$ 1,520,560</u>

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Social Service Fund
For the Year Ended December 31, 2019

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Taxes				
General property taxes	\$ 231,068	\$ 231,068	\$ 231,350	\$ 282
Specific ownership taxes	10,000	10,000	13,082	3,082
Total taxes	<u>241,068</u>	<u>241,068</u>	<u>244,432</u>	<u>3,364</u>
Intergovernmental revenues				
Programs Settled by CFMS				
Colorado Works	70,238	70,238	75,458	5,220
Child Care	41,985	41,985	11,361	(30,624)
Child Welfare	254,252	254,252	222,862	(31,390)
County Administration	25,363	25,363	128,922	103,559
Core Services	66,180	66,180	1,155	(65,025)
Child Support Enforcement	5,000	5,000	993	(4,007)
LEAP	62,273	62,273	43,415	(18,858)
Adult Protective Services	16,361	16,361	2,903	(13,458)
Aid to Needy Disabled	5,099	5,099	8,153	3,054
Home Care Allowance	12,000	12,000	14,098	2,098
Old Age Pension	23,000	23,000	35,370	12,370
Food Assistance	220,000	220,000	258,732	38,732
Federal and State Incentives			75,001	75,001
Other	10,000	10,000	-	(10,000)
Total programs settled by CFMS	<u>811,751</u>	<u>811,751</u>	<u>878,423</u>	<u>66,672</u>
Other				
Medicaid Transport	43,630	43,630	11,746	(31,884)
Other	6,100	6,100	8,544	2,444
Total Other	<u>49,730</u>	<u>49,730</u>	<u>20,290</u>	<u>(29,440)</u>
Total intergovernmental revenues	<u>861,481</u>	<u>861,481</u>	<u>898,713</u>	<u>37,232</u>
Total revenues	<u>1,102,549</u>	<u>1,102,549</u>	<u>1,143,145</u>	<u>40,596</u>
Expenditures				
Public health and welfare				
Programs Settled by CFMS				
Colorado Works	66,180	66,180	84,824	(18,644)
Child Care	41,985	41,985	15,609	26,376
Child Welfare	254,252	254,252	269,367	(15,115)
County Administration	126,395	126,395	154,744	(28,349)
Core Services	25,363	25,363	1,155	24,208
Child Support Enforcement	5,000	5,000	688	4,312
LEAP	62,273	62,273	43,415	18,858
Adult Protective Services	16,361	16,361	3,629	12,732
Aid to Needy Disabled	5,099	5,099	10,191	(5,092)
Home Care Allowance	12,000	12,000	14,840	(2,840)
Old Age Pension	23,000	23,000	35,370	(12,370)
Food Assistance	220,000	220,000	258,732	(38,732)
Other	6,387	6,387		6,387
Total programs settled by CFMS	<u>864,295</u>	<u>864,295</u>	<u>892,564</u>	<u>(28,269)</u>
Other				
Medicaid Transport	43,630	43,630	11,746	31,884
HB 1451	70,239	70,239	31,600	38,639
Capital Outlay	1,302,000	1,302,000	47,043	1,254,957
Other	31,000	31,000	13,000	18,000
Total other	<u>1,446,869</u>	<u>1,446,869</u>	<u>103,389</u>	<u>1,343,480</u>
Total expenditures	<u>2,311,164</u>	<u>2,311,164</u>	<u>995,953</u>	<u>1,315,211</u>
Excess (deficit) of revenues over (under) expenditures	<u>(1,208,615)</u>	<u>(1,208,615)</u>	<u>147,192</u>	<u>1,355,807</u>
Other financing sources (uses)				
Transfers in	6,000	6,000	8,000	2,000
Total other financing sources (uses)	<u>6,000</u>	<u>6,000</u>	<u>8,000</u>	<u>2,000</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,202,615)</u>	<u>(1,202,615)</u>	<u>155,192</u>	<u>1,357,807</u>
Fund balance, beginning	<u>1,439,536</u>	<u>1,439,536</u>	<u>1,480,883</u>	<u>41,347</u>
Fund balance, ending	<u>\$ 236,921</u>	<u>\$ 236,921</u>	<u>\$ 1,636,075</u>	<u>\$ 1,399,154</u>

DOLORES COUNTY, COLORADO

Other Supplementary Information

December 31, 2019

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

These statements and schedules include:

Combining Statements- Non-major governmental funds
Budgetary Comparison Schedule-Senior Services Fund
Budgetary Comparison Schedule-Conservation Trust Fund
Budgetary Comparison Schedule-Ormiston Fund
Budgetary Comparison Schedule-Contigency Fund
Budgetary Comparison Schedule-Public Health Fund
Budgetary Comparison Schedule-Enterprise fund

DOLORRES COUNTY, COLORADO

Non-major Governmental Funds

December 31, 2019

Special Revenue Funds

Special revenue funds are used to account for taxes and other designated revenues of the County which are used for a specified purpose as required by law or administrative action.

Senior Services Fund

This fund accounts for the activities related to the Cahone Senior Center. It was formed in 2006. Previously, these activities had been accounted for in the General Fund.

Conservation Trust Fund

This fund accounts for the County's share of lottery proceeds from the state to pay for local conservation efforts.

Clara Ormiston Fund

This fund accounts for money received from the Clara Ormiston Trust to help residents of the county with health care costs for the treatment of cancer.

Contingent Fund

This fund is required by state law. This fund accounts for expenditures not reasonably foreseen at the time the budget is adopted.

Public Health Fund

This fund was formed in 2009 and accounts for the public health department activities of the County.

DOLORES COUNTY
Combining Balance Sheet
Non Major Governmental Funds

December 31, 2019

Special Revenue Funds

	Senior Services Fund	Conservation Trust Fund	Clara Ormiston Fund	Contingency Fund	Public Health Fund	Total
Assets						
Cash	\$ 277,370	\$ 69,947	\$ 27,748	\$ 1,264,548	\$ 43,352	\$ 1,682,965
Property tax receivable	145,759					145,759
Due from other governments					7,412	7,412
Total Assets	\$ 423,129	\$ 69,947	\$ 27,748	\$ 1,264,548	\$ 50,764	\$ 1,836,136
Liabilities						
Accounts payable	\$ 8,160				\$ 907	\$ 9,067
Total Liabilities	8,160	-	-	-	907	9,067
Deferred Inflows of Resources						
Deferred property tax revenue	145,759					145,759
Fund Balances						
Restricted						
Cancer treatments			\$ 27,748			27,748
Senior services	269,210					269,210
Parks and recreation		\$ 69,947				69,947
Contingencies				\$ 1,264,548		1,264,548
Public health					49,857	49,857
Total Fund Balances	269,210	69,947	27,748	1,264,548	49,857	1,681,310
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 423,129	\$ 69,947	\$ 27,748	\$ 1,264,548	\$ 50,764	\$ 1,836,136

DOLORES COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds

For the Year Ended December 31, 2019

	Special Revenue Funds					Total
	Senior Services Fund	Conservation Trust Fund	Clara Ormiston Fund	Contingency Fund	Public Health Fund	
Revenues						
Taxes	\$ 158,550			\$ 79,303		\$ 237,853
Intergovernmental	243,691	\$ 12,086		111	\$ 113,816	369,704
Charges for services						
Public health	77,860				5,368	83,228
Earnings on investments			\$ 1,980			1,980
Miscellaneous	6,283				5,476	11,759
Total Revenues	<u>486,384</u>	<u>12,086</u>	<u>1,980</u>	<u>79,414</u>	<u>124,660</u>	<u>704,524</u>
Expenditures						
General government				3,748		3,748
Health and welfare	483,188				182,820	666,008
Total expenditures	<u>483,188</u>	<u>-</u>	<u>-</u>	<u>3,748</u>	<u>182,820</u>	<u>669,756</u>
Excess revenues over (under) expenditures	<u>3,196</u>	<u>12,086</u>	<u>1,980</u>	<u>75,666</u>	<u>(58,160)</u>	<u>34,768</u>
Other financing sources (uses)						
Operating transfers in	25,000				60,750	85,750
Operating transfers out		(6,298)	(8,000)			(14,298)
Total other financing sources (uses)	<u>25,000</u>	<u>(6,298)</u>	<u>(8,000)</u>	<u>-</u>	<u>60,750</u>	<u>71,452</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>28,196</u>	<u>5,788</u>	<u>(6,020)</u>	<u>75,666</u>	<u>2,590</u>	<u>106,220</u>
Fund Balances beginning of the year	241,014	64,159	33,768	1,188,882	47,267	1,575,090
Fund Balances end of the year	<u>\$ 269,210</u>	<u>\$ 69,947</u>	<u>\$ 27,748</u>	<u>\$ 1,264,548</u>	<u>\$ 49,857</u>	<u>\$ 1,681,310</u>

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
Senior Services Fund

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 149,883	\$ 149,883	\$ 149,828	\$ (55)
Delinquent tax and interest	325	325	236	(89)
Specific ownership taxes	7,000	7,000	8,486	1,486
Total taxes	<u>157,208</u>	<u>157,208</u>	<u>158,550</u>	<u>1,342</u>
Intergovernmental revenues				
Grants				
OAA grant	130,700	130,700	177,094	46,394
CDOT grant	40,500	40,500	42,202	1,702
Other grants and donations	115,329	115,329	24,395	(90,934)
Total intergovernmental revenues	<u>286,529</u>	<u>286,529</u>	<u>243,691</u>	<u>(42,838)</u>
Charges for services				
Public health	81,100	81,100	77,860	(3,240)
Total charges for services	<u>81,100</u>	<u>81,100</u>	<u>77,860</u>	<u>(3,240)</u>
Miscellaneous revenues				
Reimbursements	1,000	1,000	4,598	3,598
Other	-	-	1,685	1,685
Total miscellaneous revenues	<u>1,000</u>	<u>1,000</u>	<u>6,283</u>	<u>5,283</u>
Total revenues	<u>525,837</u>	<u>525,837</u>	<u>486,384</u>	<u>(39,453)</u>
Expenditures				
Health and welfare	550,837	550,837	483,188	67,649
Total expenditures	<u>550,837</u>	<u>550,837</u>	<u>483,188</u>	<u>67,649</u>
Excess (deficit) of revenues over (under) expenditures	<u>(25,000)</u>	<u>(25,000)</u>	<u>3,196</u>	<u>28,196</u>
Other financing sources (uses)				
Operating transfers in	25,000	25,000	25,000	-
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>28,196</u>	<u>28,196</u>
Fund balance, beginning	197,670	197,670	241,014	43,344
Fund balance, ending	<u>\$ 197,670</u>	<u>\$ 197,670</u>	<u>\$ 269,210</u>	<u>\$ 71,540</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balances-Budget and Actual
Conservation Trust Fund

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Intergovernmental				
Lottery funds	\$ 9,000	\$ 9,000	\$ 12,086	\$ 3,086
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>12,086</u>	<u>3,086</u>
Other financing sources (uses)				
Operating transfers out	(7,500)	(7,500)	(6,298)	1,202
Total other financing sources (uses)	<u>(7,500)</u>	<u>(7,500)</u>	<u>(6,298)</u>	<u>1,202</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>1,500</u>	<u>1,500</u>	<u>5,788</u>	<u>4,288</u>
Fund Balances beginning of the year	59,389	59,389	64,159	4,770
Fund Balances end of the year	<u>\$ 60,889</u>	<u>\$ 60,889</u>	<u>\$ 69,947</u>	<u>\$ 9,058</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balances-Budget and Actual
Clara Ormiston Fund

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Earnings on investments	\$ 200	\$ 200	\$ 1,980	\$ 1,780
Total Revenues	<u>200</u>	<u>200</u>	<u>1,980</u>	<u>1,780</u>
Other financing sources (uses)				
Operating transfers out	(6,000)	(6,000)	(8,000)	(2,000)
Total other financing sources (uses)	<u>(6,000)</u>	<u>(6,000)</u>	<u>(8,000)</u>	<u>(2,000)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(5,800)</u>	<u>(5,800)</u>	<u>(6,020)</u>	<u>(220)</u>
Fund Balances beginning of the year	32,235	32,235	33,768	1,533
Fund Balances end of the year	<u>\$ 26,435</u>	<u>\$ 26,435</u>	<u>\$ 27,748</u>	<u>\$ 1,313</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes
in Fund Balances-Budget and Actual
Contingency Fund

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 74,948	\$ 74,948	\$ 74,942	\$ (6)
Specific ownership taxes	2,500	2,500	4,243	1,743
Delinquent tax and interest	100	100	118	18
Total taxes	<u>77,548</u>	<u>77,548</u>	<u>79,303</u>	<u>1,755</u>
Intergovernmental revenues				
Impact assistance	50	50	111	61
Total intergovernmental revenues	<u>50</u>	<u>50</u>	<u>111</u>	<u>61</u>
Total Revenues	<u>77,598</u>	<u>77,598</u>	<u>79,414</u>	<u>1,816</u>
Expenditures				
General government	4,500	4,500	3,748	752
Total expenditures	<u>4,500</u>	<u>4,500</u>	<u>3,748</u>	<u>752</u>
Excess revenues over (under) expenditures	<u>73,098</u>	<u>73,098</u>	<u>75,666</u>	<u>2,568</u>
Fund Balances beginning of the year	1,086,678	1,086,678	1,188,882	102,204
Fund Balances end of the year	<u>\$ 1,159,776</u>	<u>\$ 1,159,776</u>	<u>\$ 1,264,548</u>	<u>\$ 104,772</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Public Health Fund

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
Grants				
WIC	\$ 28,465	\$ 28,465	\$ 24,753	\$ (3,712)
Other grants	111,840	111,840	89,063	(22,777)
Total intergovernmental revenues	<u>140,305</u>	<u>140,305</u>	<u>113,816</u>	<u>(26,489)</u>
Charges for services				
Public health	3,280	3,280	5,368	2,088
Total charges for services	<u>3,280</u>	<u>3,280</u>	<u>5,368</u>	<u>2,088</u>
Miscellaneous		-	5,476	5,476
Total revenues	<u>143,585</u>	<u>143,585</u>	<u>124,660</u>	<u>(18,925)</u>
Expenditures				
Health and welfare	231,375	231,375	182,820	48,555
Total expenditures	<u>231,375</u>	<u>231,375</u>	<u>182,820</u>	<u>48,555</u>
Excess (deficit) of revenues over (under) expenditures	<u>(87,790)</u>	<u>(87,790)</u>	<u>(58,160)</u>	<u>29,630</u>
Other financing sources (uses)				
Operating transfers in	60,750	60,750	60,750	-
Total other financing sources (uses)	<u>60,750</u>	<u>60,750</u>	<u>60,750</u>	<u>-</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(27,040)</u>	<u>(27,040)</u>	<u>2,590</u>	<u>29,630</u>
Fund Balances beginning of the year	32,000	32,000	47,267	15,267
Fund Balances end of the year	<u>\$ 4,960</u>	<u>\$ 4,960</u>	<u>\$ 49,857</u>	<u>\$ 44,897</u>

DOLORES COUNTY, COLORADO

Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual

Proprietary Fund

Dove Creek Mandatory Pest Control District

For the Year Ended December 31, 2019

	Budgeted Amounts		(Non GAAP Basis)	Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)
Operating Revenues				
Weed control revenue	\$ 69,200	\$ 69,200	\$ 51,041	\$ (18,159)
Total local sources	69,200	69,200	51,041	(18,159)
Operating Expenses				
Chemicals	44,000	44,000	14,606	29,394
Salaries and benefits	97,429	97,429	87,188	10,241
Supplies	3,250	3,250	1,119	2,131
Professional fees	2,500	2,500	1,000	1,500
Telephone and utilities	5,400	5,400	5,621	(221)
Insurance	3,000	3,000		3,000
Travel	2,900	2,900	2,034	866
Office	300	300	657	(357)
Dues and meetings	2,000	2,000	1,040	960
Repairs	9,000	9,000	3,946	5,054
Treasurer's fees	9,700	9,700	7,345	2,355
Miscellaneous	2,400	2,400	2,005	395
Capital outlay	30,000	30,000	8,417	21,583
Total Operating Expenses	211,879	211,879	134,978	76,901
Operating income (loss)	(142,679)	(142,679)	(83,937)	58,742
Non-Operating Revenue				
Property tax	136,715	136,715	136,699	(16)
Specific ownership tax	6,000	6,000	7,742	1,742
Delinquent tax and interest		-	72	72
Impact aid			97	97
Total Non-Operating Revenue	142,715	142,715	144,610	1,895
Change in net position non GAAP basis	36	36	60,673	60,637
Add capital outlay			8,417	8,417
Less depreciation expense			(19,370)	(19,370)
Change in net position	36	36	49,720	49,684
Net position beginning of the year	927,934	927,934	1,065,712	137,778
Net position end of the year	\$ 927,970	\$ 927,970	\$ 1,115,432	\$ 187,462

INFORMATION REQUIRED BY OVERSIGHT AUTHORITIES

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	City or County: County
	YEAR ENDING : December 31, 2019

This Information From The Records Of (example - City of _ or County of _) Dolores County, Colorado	Prepared By: Majors and Haley P.C. Phone: 970-565-9521
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES	III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES
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ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	87,945
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,362,748
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	18,119
2. General fund appropriations	0	b. Snow and ice removal	351,822
3. Other local imposts (from page 2)	528,501	c. Other	
4. Miscellaneous local receipts (from page 2)	829,686	d. Total (a. through c.)	369,941
5. Transfers from toll facilities		4. General administration & miscellaneous	263,190
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,083,824
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes Capital Leases		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,358,187	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	2,314,037	2. Notes:	
D. Receipts from Federal Government (from page 2)	162,029	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,834,253	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,083,824

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,697,901	3,834,253	3,083,824	4,448,330	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 31, 2019	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	500,215	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	59,636
4. Licenses		f. Charges for Services	645,020
5. Specific Ownership &/or Other	28,286	g. Other Misc. Receipts	
6. Total (1. through 5.)	28,286	h. Other	125,030
c. Total (a. + b.)	528,501	i. Total (a. through h.)	829,686
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,037,390	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	162,029
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	9,315	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	267,332	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	276,647	g. Total (a. through f.)	162,029
4. Total (1. + 2. + 3.f)	2,314,037	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		87,945	87,945
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		87,945	87,945
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		87,945	87,945
			(Carry forward to page 1)
Notes and Comments:			